

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JANUARY 15, 2021

SEC. CLERK'S OFFICE
STATE CONTROL CENTER

2021 JAN 15 P 1:48

PETITION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2020-00274

For approval of its 2020 DSM Update
pursuant to § 56-585.1 A 5 of the Code of Virginia

ORDER FOR NOTICE AND HEARING

On December 2, 2020, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 5 of the Code of Virginia ("Code"), the Rules Governing Utility Rate Applications and Annual Informational Filings¹ of the State Corporation Commission ("Commission"), the Commission's Rules Governing Utility Promotional Allowances,² the Commission's Rules Governing Cost/Benefit Measures Required for Demand-Side Management Programs,³ the Commission's Rules Governing the Evaluation, Measurement and Verification of the Effects of Utility-Sponsored Demand-Side Management Programs,⁴ and the directive contained in Ordering Paragraph (4) of the Commission's July 30, 2020 Final Order in Case No. PUR-2019-00201,⁵ filed with the Commission its petition requesting (1) approval to implement new demand-side management ("DSM") programs; (2) approval to extend the Company's existing Non-residential Distributed Generation ("DG") Program; (3) approval to expand the eligibility requirements for specific DSM Phase VII and

¹ 20 VAC 5-201-10 *et seq.* ("Rate Case Rules")

² 20 VAC 5-303-10 *et seq.*

³ 20 VAC 5-304-10 *et seq.* ("Cost/Benefit Rules")

⁴ 20 VAC 5-318-10 *et seq.*

⁵ *Petition of Virginia Electric and Power Company, For approval of its 2019 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2019-00201, Doc. Con. Cen. No. 200740067, Final Order (July 30, 2020) ("2019 DSM Order").

210120101

Phase VIII Programs in accordance with changes established in the Virginia Clean Economy Act ("VCEA");⁶ and (4) approval of three updated rate adjustment clauses, Riders C1A, C2A and C3A, and a new rate adjustment clause, Rider C4A ("Petition").⁷

In its Petition, the Company requests approval to implement 11 new programs as the Company's "Phase IX" programs, which include a mixture of "energy efficiency" ("EE") and "demand response" ("DR") DSM programs, as those terms are defined by Code § 56-576.⁸ With the exception of the proposed House Bill ("HB") 2789 (Solar Component) Program,⁹ the Company requests that the Commission permit the Company to operate the following proposed programs for the five-year period of January 1, 2022, through December 31, 2026, subject to future extensions as requested by the Company and granted by the Commission:

- Residential Income and Age Qualifying (EE)
- Residential Water Savings (EE)
- Residential Water Savings (DR)
- Residential Smart Home (EE)
- Residential Virtual Audit (EE)
- Non-residential Agricultural (EE)
- Non-residential Building Automation (EE)

⁶ 2020 Va. Acts. chs. 1193 and 1194.

⁷ Supporting testimony and other documents also were filed with the Petition.

⁸ Petition at 7.

⁹ In 2019, the General Assembly passed HB 2789 (amended in the 2020 session through HB 1656 and codified as Code § 56-596.2:1), which requires the Company to (i) submit a petition for approval to design, implement, and operate a three-year program of energy conservation measures providing incentives to low income, elderly, and disabled individuals, and (ii) submit a petition for approval to design, implement, and operate a separate three-year incentive program, in an amount not to exceed \$25 million in the aggregate, to enable the installation of, or access to, equipment to generate electric energy derived from sunlight. The Commission approved the Company's program under the first part of that statute in the 2019 DSM Order. In this case, the Company is proposing a program under the second half of the statute – the HB 2789 (Solar Component) Program – for a three-year term. See Petition at 6-8.

- Non-residential Building Optimization (EE)
- Non-residential Engagement (EE)
- Non-residential Enhanced Prescriptive (EE)
- HB 2789 (Solar Component)¹⁰

The Company proposes an aggregate total cost cap for the Phase IX programs in the amount of \$162 million.¹¹ Additionally, the Company requests the ability to exceed the spending cap by no more than 5%.¹² The Company "seeks authorization to spend directly for these programs for a reasonable amount of time before and after the approval period so that the programs can run for a full five years and then have additional time built in for launch and wind-down activities."¹³

The Company asserts that the total proposed costs of the energy efficiency programs proposed in the Petition will be counted toward the requirement in the 2018 Grid Transformation and Security Act ("GTSA")¹⁴ that the Company develop a proposed program of energy efficiency measures with projected costs of no less than an aggregate amount of \$870 million between July 1, 2018, and July 1, 2028, including any existing approved energy efficiency programs.¹⁵ The Company further asserts that the total amount of spending proposed in this Petition on energy efficiency programs targeting low-income individuals, when combined with the Company's prior requests for energy efficiency spending on such programs since the passage

¹⁰ *Id.* at 7. The Phase IX programs are more fully described in the pre-filed direct testimony of Company witness Michael T. Hubbard.

¹¹ Petition at 8. *See also* Pre-filed Direct Testimony of Jarvis E. Bates ("Bates Direct") at 8.

¹² Petition at 8.

¹³ *Id.*

¹⁴ 2018 Va. Acts ch. 296.

¹⁵ Bates Direct at 9-10. *See* Code § 56-596.2 C.

of the GTSA and VCEA, "consists of a proposal for approximately \$53 million of the required 15% of the \$870 million or \$130.5 [million], excluding any amount of projected lost revenues."¹⁶

Additionally, the Company seeks approval of a two-year extension of the existing Non-residential DG Program.¹⁷ The Company is not seeking additional funds under the current cost cap for this Program.¹⁸

The Company also seeks approval to expand the eligibility requirements for specific Non-residential DSM Phase VII and Phase VIII Programs¹⁹ due to the VCEA's changes to Code § 56-585.1 A 5 from an automatic exemption to an opt-out process for large general service customers and the change to the demand threshold from 500 kilowatts ("kW") to 1 megawatt.²⁰ The Company states that if customers over 500 kW "are going to begin paying for Phase VII and VIII energy efficiency programs as of the beginning of the proposed Rate Year, they should also be eligible to participate in the non-residential programs available through those DSM Phases."²¹ Accordingly, the Company proposes to expand eligibility requirements for the following DSM Phase VII and Phase VIII Programs, which were originally designed such that eligibility was capped at 500 kW, consistent with the version of Code § 56-585.1 A 5 in effect (under the GTSA) at the time these programs were proposed and approved: Non-residential Lighting

¹⁶ Bates Direct at 10-11. See Code § 56-596.2 A and C.

¹⁷ Petition at 9-10.

¹⁸ *Id.* at 10.

¹⁹ The Phase VII Programs were approved by the Commission in Case No. PUR-2018-00168. See *Petition of Virginia Electric and Power Company, For approval to implement demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2018-00168, 2019 S.C.C. Ann. Rept. 285, Order Approving Programs and Rate Adjustment Clauses (May 2, 2019). The Company's Phase VIII Programs were approved in the 2019 DSM Order.

²⁰ Petition at 10.

²¹ *Id.*

Systems and Controls, Non-residential Heating and Cooling Efficiency, Non-residential Window Film, and Non-residential Small Manufacturing Programs.²²

Lastly, the Company requests approval of an annual update to continue three rate adjustment clauses, Riders C1A, C2A and C3A, and to implement a new rate adjustment clause, Rider C4A, for a Rate Year of September 1, 2021, through August 31, 2022 ("2021 Rate Year") for recovery of: (i) 2021 Rate Year costs associated with programs previously approved by the Commission in Case No. PUE-2011-00093 ("Phase II Programs"),²³ Case No. PUE-2013-00072 ("Phase III Programs"),²⁴ Case No. PUE-2014-00071 ("Phase IV Programs"),²⁵ Case No. PUE-2015-00089 ("Phase V Program"),²⁶ and Case No. PUE-2016-00111 ("Phase VI Program"),²⁷ and for the Company's Phase VII and Phase VIII Programs; (ii) calendar year 2019 true-up of costs associated with the Company's approved Phase II, Phase III, Phase IV, Phase V, Phase VI and Phase VII Programs; (iii) calendar year 2019 true-up of costs associated with the Company's Electric Vehicle Pilot Program, which was approved by the Commission in Case No.

²² *Id.*

²³ *Application of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2011-00093, 2012 S.C.C. Ann. Rept. 298, Order (Apr. 30, 2012).

²⁴ *Petition of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2013-00072, 2014 S.C.C. Ann. Rept. 289, Final Order (Apr. 29, 2014).

²⁵ *Petition of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2014-00071, 2015 S.C.C. Ann. Rept. 230, Final Order (Apr. 24, 2015).

²⁶ *Petition of Virginia Electric and Power Company, For approval to implement new demand-side management programs, for approval to continue a demand-side management program, and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2015-00089, 2016 S.C.C. Ann. Rept. 275, Final Order (Apr. 19, 2016).

²⁷ *Petition of Virginia Electric and Power Company, For approval to implement new, and to extend existing, demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2016-00111, 2017 S.C.C. Ann. Rept. 384, Final Order (June 1, 2017).

PUE-2011-00014;²⁸ and (iv) 2021 Rate Year costs associated with the Company's proposed Phase IX Programs.²⁹

The two key components of the proposed Riders C1A, C2A, C3A and C4A are the projected revenue requirement, which includes operating expenses that are projected to be incurred during the 2021 Rate Year, and a monthly true-up adjustment, which compares actual costs for the 2019 calendar year to the actual revenues collected during the same period.³⁰ For Rider C1A, Dominion requests a total revenue requirement of \$1,155,487, due to a 2021 Rate Year projected revenue requirement in the amount of \$3,629,164, and a true-up adjustment credit of \$2,473,677.³¹ For Rider C2A, Dominion requests a total revenue requirement of \$1,833,697, which consists of a 2021 Rate Year projected revenue requirement of \$2,935,551, and a true-up adjustment credit of \$1,101,854.³² For Rider C3A, Dominion requests a total revenue requirement of (\$7,904,620), which consists of a 2021 Rate Year projected revenue requirement of (\$237,150), and a true-up adjustment credit of \$7,667,471.³³ For Rider C4A, Dominion requests a projected revenue requirement of \$83,035,266; there is no true-up adjustment.³⁴ The proposed combined revenue requirement for Riders C1A, C2A, C3A and C4A for the 2021 Rate Year is \$78,119,830.³⁵

²⁸ *Application of Virginia Electric and Power Company, For approval to establish an electric vehicle pilot program pursuant to § 56-234 of the Code of Virginia*, Case No. PUE-2011-00014, 2011 S.C.C. Ann. Rept. 436, Order Granting Approval (July 11, 2011).

²⁹ Petition at 12-13; Bates Direct at 7; Pre-filed Direct Testimony of Elizabeth Lecky ("Lecky Direct") at 2-4.

³⁰ Petition at 12.

³¹ *Id.* at 13.

³² *Id.* at 13-14.

³³ *Id.* at 14.

³⁴ *Id.*

³⁵ *Id.*

For purposes of calculating the 2021 Rate Year projected revenue requirement, the Company utilizes a general rate of return on common equity ("ROE") of 9.2%, per the Commission's Final Order in Case No. PUR-2019-00050.³⁶ For the 2019 calendar year true-up adjustment, the Company utilizes a general ROE of 9.2% for the period of January 1, 2019, through November 20, 2019, which was approved by the Commission in Case No. PUR-2017-00038;³⁷ for November 21, 2019, through December 31, 2019, the Company utilizes a 9.2% ROE per the 2019 ROE Order.³⁸

Dominion proposes that the revised Riders C1A, C2A, C3A and C4A be applicable for billing purposes on the latter of September 1, 2021, or the first day of the month that is at least 15 days following the issuance of an order by the Commission approving Riders C1A, C2A, C3A and C4A.³⁹ If the proposed Riders C1A, C2A, C3A and C4A for the 2021 Rate Year are approved, the impact on customer bills would depend on the customer's rate schedule and usage. According to the Company, implementation of the proposed Riders C1A, C2A, C3A and C4A would decrease the monthly bill of a residential customer using 1,000 kilowatt hours per month by \$0.10.⁴⁰

³⁶ *Id.* at 12. See *Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity pursuant to § 56-585.1:1 C of the Code of Virginia*, Case No. PUR-2019-00050, 2019 S.C.C. Ann. Rept. 400, Final Order (Nov. 21, 2019) ("2019 ROE Order").

³⁷ Petition at 13. See *Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2017-00038, 2017 S.C.C. Ann. Rept. 475, Final Order (Nov. 29, 2017).

³⁸ Petition at 13.

³⁹ *Id.* at 20.

⁴⁰ *Id.* at 14.

The Company has calculated the proposed Riders C1A, C2A, C3A and C4A rates in accordance with the same methodology approved in the 2019 DSM Order.⁴¹

The Company requested a waiver of the Commission's Cost/Benefit Rules as they relate to the proposed HB 2789 (Solar Component) Program on the basis that, although that program "was legislatively prescribed to be part of the Company's DSM proposal[,] . . . it is not a traditional energy efficiency or peak shaving program as those terms are defined by the Virginia Code."⁴² The Commission issued an order denying that requested waiver on December 18, 2020, and directing the Company "to provide, to the best of the Company's ability, results of a cost/benefit analysis and the information required in the Commission's Cost/Benefit Rules, including 20 VAC 5-304-30, for the proposed HB 2789 (Solar Component) Program."⁴³ On January 7, 2021, the Company filed the Supplemental Direct Testimony of Edmund J. Hall in response to the Commission's December 18, 2020 Order.

Dominion also requests a waiver of Rules 20 VAC 5-201-60 ("Rule 60") and 20 VAC 5-201-90 ("Rule 90") of the Rate Case Rules with respect to Schedule 45. Rule 60 of the Rate Case Rules requires that an application filed pursuant to Code § 56-585.1 A 5 include Schedule 45, "Return on Equity Peer Group Benchmark," with the utility's direct testimony. Rule 90 of the Rate Case Rules states that Schedule 45 must include "documentation supporting the return on equity benchmark proposed pursuant to § 56-585.1 A 2 a and b of the Code" In support of its request for waiver of Schedule 45, Dominion states that it is requesting that an ROE of 9.2% be used to calculate the projected revenue requirement for the 2021 Rate Year in

⁴¹ *Id.* at 11.

⁴² Petition at 9.

⁴³ *Petition of Virginia Electric and Power Company, For approval of its 2020 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2020-00274, Doc. Con. Cen. No. 201230028, Order (Dec. 18, 2020) at 5.

accordance with the Commission's 2019 ROE Order.⁴⁴ Accordingly, the Company asserts that waiver of this schedule in this proceeding is warranted by judicial economy and efficiency of case administration.⁴⁵

The Company also seeks a waiver of Rules 60 and 90 of the Rate Case Rules with respect to paper copies of certain Filing Schedule 46 materials, specifically, Filing Schedule 46A, Statement 3, and Filing Schedule 46B, Statement 3.⁴⁶ The Company states that the documentation responsive to the requirement in the Rate Case Rules that the Company provide all documents, contracts, studies, investigations or correspondence that support projected costs proposed to be recovered in this proceeding "is voluminous and, often, not easily reviewed in hard copy (paper) format."⁴⁷ The Company proposes instead to provide such documentation to the Commission's Staff ("Staff") and other future case participants in electronic format only.⁴⁸

Finally, in conjunction with the filing of its Petition on December 2, 2020, the Company filed the "Motion of Virginia Electric and Power Company for Entry of a Protective Ruling and Additional Protective Treatment" ("Motion for Protective Ruling") and a proposed protective ruling that establishes procedures governing the use of confidential information in this proceeding.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Dominion should provide public notice of its Petition; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Petition; interested persons should

⁴⁴ Petition at 15-16.

⁴⁵ *Id.* at 15.

⁴⁶ *Id.* at 18.

⁴⁷ *Id.*

⁴⁸ *Id.*

have an opportunity to file comments on the Petition or participate as a respondent in this proceeding; and the Staff should be directed to investigate the Petition and file testimony and exhibits containing its findings and recommendations thereon. We also find that a Hearing Examiner should be assigned to conduct all further proceedings in this matter on behalf of the Commission, including ruling on the Company's Motion for Protective Ruling and filing a final report containing the Hearing Examiner's findings and recommendations. Additionally, we grant Dominion's request to waive the filing of Schedule 45 and paper copies of certain documentation required by Schedule 46 for purposes of making the Petition complete and commencing this proceeding.⁴⁹

The Commission further takes judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels.⁵⁰ The Commission has taken certain actions, and may take additional actions going forward, that impact the procedures in this proceeding.⁵¹ Consistent

⁴⁹ We note that, following the Company's filing of Supplemental Direct Testimony on January 7, 2021, an Amended Memorandum of Incompleteness was filed in this docket on January 8, 2021, indicating that the Petition is incomplete only with respect to the Company's requested waiver of the Schedule 45 filing requirements. Accordingly, with the Company's January 7, 2021 Supplemental Direct Testimony and the Commission's waiver of the Schedule 45 filing requirement herein, this Petition is deemed complete as of January 7, 2021, for purposes of commencing the proceeding and calculating the eight-month statutory deadline for a final order under Code § 56-585.1 A 7.

⁵⁰ See, e.g., Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020, by Governor Ralph S. Northam. See also Executive Order No. 53, Temporary Restrictions on Restaurants, Recreational, Entertainment, Gatherings, Non-Essential Retail Businesses, and Closure of K-12 Schools Due to Novel Coronavirus (COVID-19), issued March 23, 2020, by Governor Ralph S. Northam, and Executive Order No. 55, Temporary Stay at Home Order Due to Novel Coronavirus (COVID-19), issued March 30, 2020, by Governor Ralph S. Northam. These and subsequent Executive Orders related to COVID-19 may be found at: <https://www.governor.virginia.gov/executive-actions/>.

⁵¹ See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, Doc. Con. Cen. No. 200330035, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), extended by Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020), extended by Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State*

with these actions, in regard to the terms of the procedural framework established below, the Commission will, among other things, direct the electronic filing of testimony and pleadings, unless they contain confidential information, and require electronic service on parties to this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) All pleadings in this matter should be submitted electronically to the extent authorized by Rule 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice").⁵² Confidential and Extraordinarily Sensitive information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.⁵³

(2) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and the Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.

Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency, Case No. CLK-2020-00007, Doc. Con. Cen. No. 200410009, Order Requiring Electronic Service (Apr. 1, 2020).

⁵² 5 VAC 5-20-10 *et seq.*

⁵³ As noted in the Commission's March 19, 2020 Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency in Case No. CLK-2020-00005, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may not be processed for an indefinite period of time due to the COVID-19 emergency. See n.51, *supra*.

(3) As provided by Code § 12.1-31 and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission, including filing a final report containing the Hearing Examiner's findings and recommendations.

(4) An electronic copy of the Company's Petition may be obtained by submitting a written request to counsel for the Company, Paul E. Pfeffer, Esquire, Dominion Resources Services, Inc., 120 Tredegar Street, RS-2, Richmond, Virginia 23219, paul.e.pfeffer@dominionenergy.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(5) Due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, the Commission hereby schedules a telephonic hearing for the receipt of testimony from public witnesses on the Company's Petition, as follows:

- (a) A hearing for the receipt of testimony from public witnesses on the Company's Petition shall be convened telephonically at 10 a.m. on June 8, 2021, with no witness present in the Commission's courtroom.⁵⁴
- (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- (c) On or before June 4, 2021, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141.
- (d) Beginning at 10 a.m. on June 8, 2021, the Commission will telephone sequentially each person who has signed up to testify as provided above. The telephonic public witness hearing will not be convened, and the parties will be notified of such, if no person signs up to testify as a public witness.

⁵⁴ The Hearing Examiner will convene counsel of record in this proceeding to attend the public witness hearing virtually.

- (e) This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

(6) A public evidentiary hearing on the Petition shall be convened immediately following the telephonic public witness hearing on June 8, 2021, to receive the testimony and evidence of the Company, any respondents, and Staff. If no person signs up to testify as a public witness, the evidentiary hearing will begin at 10 a.m. on June 8, 2021. Further details on the hearing will be provided by subsequent Commission Order or Hearing Examiner's Ruling.

(7) On or before February 11, 2021, the Company shall cause the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation throughout the Company's service territory in Virginia:

NOTICE TO THE PUBLIC OF A PETITION BY
VIRGINIA ELECTRIC AND POWER COMPANY
FOR APPROVAL OF ITS 2020 DSM UPDATE
PURSUANT TO § 56-585.1 A 5 OF THE CODE OF VIRGINIA
CASE NO. PUR-2020-00274

- **Dominion Energy Virginia ("Dominion") has applied for approval to implement new demand-side management ("DSM") programs, extend one DSM program, expand the eligibility requirements for certain previously-approved DSM programs, and to revise its Riders C1A, C2A, C3A, and implement a new Rider C4A, by which Dominion recovers the costs of its DSM programs.**
- **Dominion requests a total of \$78,119,830 for its 2021 Riders C1A, C2A, C3A and C4A. According to Dominion, this amount would decrease the bill of a residential customer using 1,000 kilowatt hours per month by \$0.10.**
- **A Hearing Examiner appointed by the Commission will hear the case on June 8, 2021, at 10 a.m.**
- **Further information about this case is available on the SCC website at: <http://www.scc.virginia.gov/case>.**

On December 2, 2020, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 5 of the Code of Virginia ("Code"), the Rules Governing Utility Rate Applications and Annual Informational Filings of the State Corporation Commission ("Commission"), the Commission's Rules Governing Utility Promotional Allowances, the Commission's Rules Governing Cost/Benefit Measures Required for Demand-Side Management Programs, the Commission's Rules Governing the Evaluation, Measurement and Verification of the Effects of Utility-Sponsored Demand-Side Management Programs, and the directive contained in Ordering Paragraph (4) of the Commission's July 30, 2020 Final Order in Case No. PUR-2019-00201, filed with the Commission its petition requesting (1) approval to implement new demand-side management ("DSM") programs; (2) approval to extend the Company's existing Non-residential Distributed Generation ("DG") Program; (3) approval to expand the eligibility requirements for specific previously-approved DSM Phase VII and Phase VIII Programs in accordance with changes established in the Virginia Clean Economy Act ("VCEA"); and (4) approval of three updated rate adjustment clauses, Riders C1A, C2A and C3A, and a new rate adjustment clause, Rider C4A ("Petition").

In its Petition, the Company requests approval to implement 11 new programs as the Company's "Phase IX" programs, which include a mixture of "energy efficiency" ("EE") and "demand response" ("DR") DSM programs, as those terms are defined by Code § 56-576. With the exception of the proposed House Bill ("HB") 2789 (Solar Component) Program, the Company requests that the Commission permit the Company to operate the following proposed programs for the five-year period of January 1, 2022, through December 31, 2026, subject to future extensions as requested by the Company and granted by the Commission: (1) Residential Income and Age Qualifying (EE); (2) Residential Water Savings (EE); (3) Residential Water Savings (DR); (4) Residential Smart Home (EE); (5) Residential Virtual Audit (EE); (6) Non-residential Agricultural (EE); (7) Non-residential Building Automation (EE); (8) Non-residential Building Optimization (EE); (9) Non-residential Engagement (EE); (10) Non-residential Enhanced Prescriptive (EE); and (11) HB 2789 (Solar Component).

The Company proposes an aggregate total cost cap for the Phase IX programs in the amount of \$162 million. Additionally, the Company requests the ability to exceed the spending cap by no more than 5%. The Company "seeks authorization to spend directly for these programs for a reasonable amount of time before and after the approval period so that the programs can run for a full

five years and then have additional time built in for launch and wind-down activities."

The Company asserts that the total proposed costs of the energy efficiency programs proposed in the Petition will be counted toward the requirement in the 2018 Grid Transformation and Security Act ("GTSA") that the Company develop a proposed program of energy efficiency measures with projected costs of no less than an aggregate amount of \$870 million between July 1, 2018, and July 1, 2028, including any existing approved energy efficiency programs. The Company further asserts that the total amount of spending proposed in this Petition on energy efficiency programs targeting low-income individuals, when combined with the Company's prior requests for energy efficiency spending on such programs since the passage of the GTSA and VCEA, "consists of a proposal for approximately \$53 million of the required 15% of the \$870 million or \$130.5 [million], excluding any amount of projected lost revenues."

The Company also seeks approval to expand the eligibility requirements for the following Non-residential DSM Phase VII and Phase VIII Programs, due to the VCEA's changes to Code § 56-585.1 A 5 from an automatic exemption to an opt-out process for large general service customers and the change to the demand threshold from 500 kilowatts ("kW") to 1 megawatt: Non-residential Lighting Systems and Controls, Non-residential Heating and Cooling Efficiency, Non-residential Window Film, and Non-residential Small Manufacturing. Such programs were originally designed such that eligibility was capped at 500 kW, consistent with the version of Code § 56-585.1 A 5 in effect at the time these programs were proposed and approved.

Additionally, the Company seeks approval of a two-year extension of the existing Non-residential DG Program. The Company is not seeking additional funds under the current cost cap for this Program.

Further, the Company requests approval of an annual update to continue three rate adjustment clauses, Riders C1A, C2A and C3A, and to implement a new rate adjustment clause, Rider C4A, for a Rate Year of September 1, 2021, through August 31, 2022 ("2021 Rate Year") for recovery of: (i) 2021 Rate Year costs associated with its Phase II, Phase III, Phase IV, Phase V, Phase VI, Phase VII and Phase VIII Programs approved by the Commission in prior cases; (ii) calendar year 2019 true-up of costs associated with the Company's approved Phase II, Phase III, Phase IV, Phase V and Phase VI Programs; (iii) calendar year 2019 true-up of costs associated with the Company's Electric Vehicle

Pilot Program; and (iv) 2021 Rate Year costs associated with the Company's proposed Phase IX Programs.

For Rider C1A, Dominion requests a total revenue requirement of \$1,155,487. For Rider C2A, Dominion requests a total revenue requirement of \$1,833,697. For Rider C3A, Dominion requests a total revenue requirement of (\$7,904,620). For Rider C4A, Dominion requests a total revenue requirement of \$83,035,266. The proposed total revenue requirement for Riders C1A, C2A, C3A and C4A for the 2021 Rate Year is \$78,119,830. The Company proposes a general rate of return on common equity of 9.2% for the projected revenue requirement and true-up adjustment for the period of January 1, 2019, through December 31, 2019.

If the proposed Riders C1A, C2A, C3A and C4A for the 2021 Rate Year are approved, the impact on customer bills would depend on the customer's rate schedule and usage.

Interested persons are encouraged to review the Petition and supporting documents for the details of these and other proposals.

TAKE NOTICE that the Commission may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Petition and supporting documents and thus may adopt rates that differ from those appearing in the Company's Petition and supporting documents.

The Commission entered an Order for Notice and Hearing that, among other things, scheduled public hearings on the Petition. On June 8, 2021, at 10 a.m., the Commission will hold a telephonic hearing, with no witness present in the Commission's courtroom, for the purpose of receiving the testimony of public witnesses. On or before June 4, 2021, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

A public evidentiary hearing shall be convened immediately following the telephonic public witness hearing on June 8, 2021, or beginning at 10 a.m. on June 8, 2021, if no person signs up to testify as a public witness, to receive the testimony and evidence of the Company, any respondents, and the Staff of the Commission ("Staff"). Further details on the hearing will be provided by subsequent Commission Order or Hearing Examiner's Ruling.

The Commission has taken judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"). Confidential and Extraordinarily Sensitive information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission has directed that service on parties and Staff in this matter shall be accomplished by electronic means. Please refer to the Commission's Order for Notice and Hearing for further instructions concerning Confidential or Extraordinarily Sensitive Information.

An electronic copy of the Company's Petition may be viewed on the Commission's website or may be obtained by submitting a request to counsel for the Company: Paul E. Pfeffer, Esquire, Dominion Energy Services, Inc., 120 Tredegar Street, Richmond, Virginia 23219, paul.e.pfeffer@dominionenergy.com.

On or before June 8, 2021, any interested person may file comments on the Petition by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments or by filing such comments with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All such comments shall refer to Case No. PUR-2020-00274.

On or before March 12, 2021, any interested person or entity may participate as a respondent by filing, with the Clerk of the Commission at the address above or scc.virginia.gov/clk/efiling/, a notice of participation in accordance with the Commission's Rules of Practice. Notices of participation shall include the email addresses of the party or its counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00274. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Hearing.

On or before April 16, 2021, each respondent may file with the Clerk of the Commission and serve on the Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. In all filings, respondents shall comply with the Commission's Rules of Practice, including 5 VAC 5-20-140, *Filing and service*; and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2020-00274.

Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the Commission's Order for Notice and Hearing, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

The Company's Petition, the Commission's Rules of Practice, and the Commission's Order for Notice and Hearing may be viewed at the Commission's website: scc.virginia.gov/pages/Case-Information.

VIRGINIA ELECTRIC AND POWER COMPANY

(8) On or before February 11, 2021, the Company shall serve a copy of this Order for Notice and Hearing on the following local officials, to the extent the position exists, in each

county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.⁵⁵

(9) On or before March 4, 2021, the Company shall file proof of the notice and service required by Ordering Paragraphs (7) and (8) above, including the name, title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, or by filing electronically at scc.virginia.gov/clk/efiling/.

(10) On or before June 8, 2021, any interested person may file comments on the Petition by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments or by filing such comments with the Clerk of the Commission at the address above. All comments shall refer to Case No. PUR-2020-00274.

(11) On or before March 12, 2021, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at the address above or scc.virginia.gov/clk/efiling. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to

⁵⁵ In addition to the Commission's April 1, 2020 Order in Case No. CLK-2020-00007 (*see n.51, supra*), *see also* *Petition of Virginia Electric and Power Company, For a continuing waiver of 20 VAC 5-201-10 J of the Rules Governing Utility Rate Applications and Annual Informational Filings to permit electronic service to local officials upon request*, Case No. PUE-2016-00039, Doc. Con. Cen. No. 160420194, Order (Apr. 19, 2016).

5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00274.

(12) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve a copy of the Petition on the respondent.

(13) On or before April 16, 2021, each respondent may file with the Clerk of the Commission, either electronically or at the address noted above, and serve on the Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2020-00274.

(14) On or before May 7, 2021, the Staff shall investigate the Petition and file with the Clerk of the Commission its testimony and exhibits concerning the Petition, and each Staff witness's testimony shall include a summary not to exceed one page. A copy thereof shall be served on counsel to the Company and all respondents.

(15) On or before May 21, 2021, Dominion shall file with the Clerk of the Commission any rebuttal testimony and exhibits that it expects to offer, and each rebuttal witness's testimony shall include a summary not to exceed one page. The Company shall serve a copy of its rebuttal testimony and exhibits on the Staff and all respondents.

(16) Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(17) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within seven (7) calendar after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the Staff.⁵⁶ Except as modified herein, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(18) This matter is continued.

A COPY hereof shall be sent electronically by the Clerk of the Commission to: Paul E. Pfeffer, Esquire, and Audrey T. Bauhan, Esquire, Dominion Energy Services, Inc., Riverside 2, Law Department, 120 Tredegar Street, Richmond, Virginia 23219, paul.e.pfeffer@dominionenergy.com, and audrey.t.bauhan@dominionenergy.com; Vishwa B. Link, Esquire, Lisa R. Crabtree, Esquire, and April M. Jones, Esquire, McGuireWoods LLP, Gateway Plaza, 800 E. Canal Street, Richmond, Virginia 23219, vlink@mcguirewoods.com, lcrabtree@mcguirewoods.com, and amjones@mcguirewoods.com; and C. Meade Browder, Jr.,

⁵⁶ The assigned Staff attorney is identified on the Commission's website, scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2020-00274, in the appropriate box.

Senior Assistant Attorney, Division of Consumer Counsel, 202 N. 9th Street, 8th Floor,
Richmond, Virginia 23219, MBrowder@oag.state.va.us. A copy also shall be delivered to the
Commission's Office of General Counsel and Divisions of Public Utility Regulation and Utility
Accounting and Finance.

210120101